



Corporate governance report

Sandvik AB has its head office in Stockholm and is the Parent Company of the Sandvik Group, with subsidiaries in about 70 countries. The Group has about 41,000 employees and revenues in about 170 countries. Sandvik AB is a public company with its shares listed on Nasdaq Stockholm.

Corporate governance within Sandvik is based on external rules such as the Swedish Companies Act, the Nordic Main Market Rulebook for Issuers of Shares, the Swedish Code of Corporate Governance (the "Code") and other relevant laws and regulations. The Code is available at corporategovernanceboard.se. In 2023, Sandvik applied the Code without deviating from any of its regulations.

The Sandvik Way

Sandvik's corporate governance framework, The Sandvik Way, implements

the external rules previously mentioned and also sets out the internal rules and principles for governance that apply specifically within Sandvik. It is based on three segments, as set forth in the model below, and describes how common ways of working have been implemented throughout the entire organization.

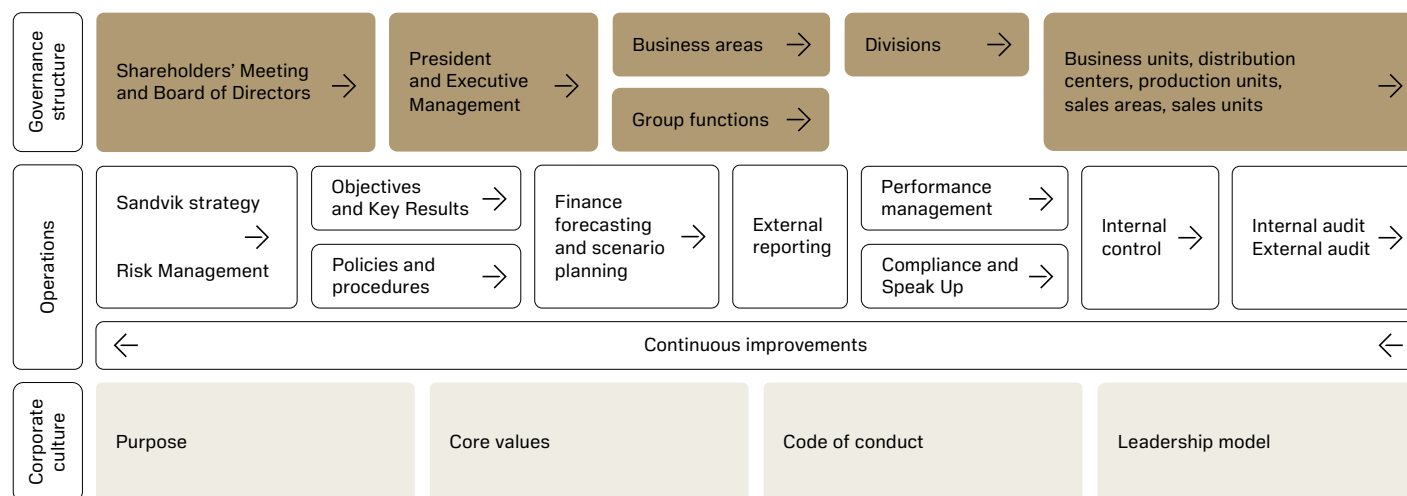
Governance structure

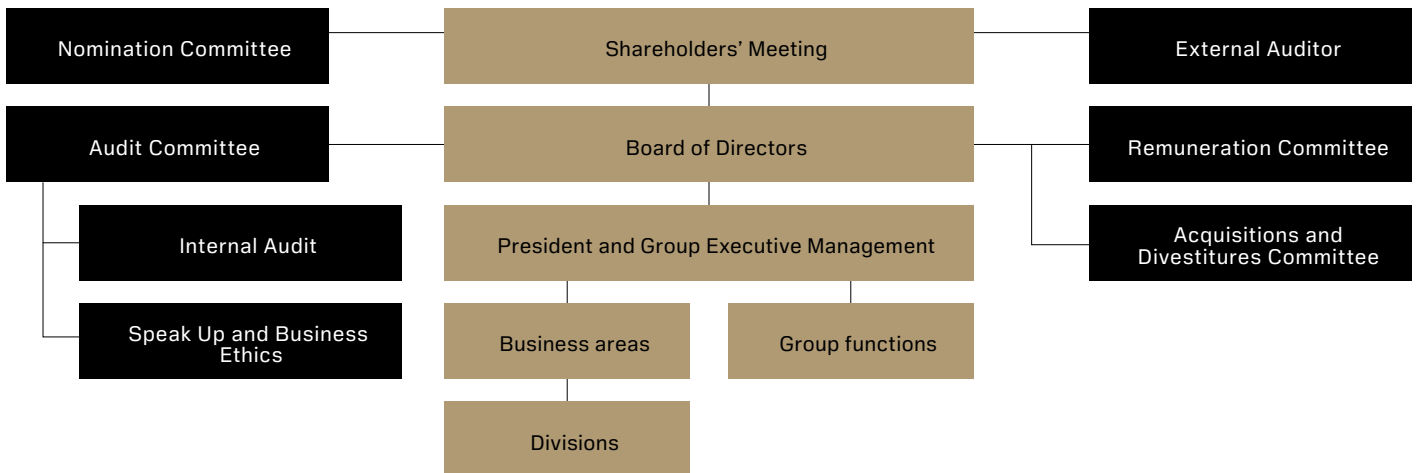
This segment outlines how the Sandvik Group is led and governed. The Board of Directors, elected at the Shareholders' Meeting, sets the strategic direction for the Group. The President carries this out

through the Group Executive Management whose members manage and oversee the operations of the Group. The main operational responsibility in the Group lies with the business areas and divisions, whereas the Group functions are responsible for functional policies and processes supporting the business.

The Sandvik Way is implemented in the respective business areas, with additional requirements cascaded down in the operational structure of each business area.

The Sandvik Way



Corporate governance model**Operations**

The detailed controls and risk frameworks common across the Group are detailed in this segment. This includes many aspects such as strategy and risk management, policies, financial forecasting and scenario planning, as well as compliance, internal controls and audits. Performance management, controls and continuous improvements provide a solid basis for our ways of working.

Corporate culture

This segment sets the foundation for how we all shape our culture in the company and enable a customer-oriented and responsible business. Our operational controls and risk frameworks are supported by the ambitions and requirements of our purpose, core values, Code of Conduct and leadership model.

Ownership structure

As of December 31, 2023, Sandvik's share capital amounted to SEK 1,505,263,107.60 represented by 1,254,385,923 shares. At year-end, Sandvik had about 138,000 shareholders and AB Industrivärden was the largest owner with about 14.1 percent of the share capital. Of the total share capital at year-end, about 40 percent was owned by investors outside Sweden.

Shareholders' meeting

The General Meeting of Shareholders is the highest decision-making body. At the Annual General Meeting, the shareholders are given the possibility to exercise their voting rights in relation to, for example, the Annual Report, dividends, election of the Board and appointment of auditor, and other matters stipulated in the Companies Act, the Articles of Association and, where applicable, the Code.

All shareholders who have been entered in the share register and have informed the company of their participation within the time limit stated in the notice of the General Meeting are entitled to participate at the General Meeting and vote according to the number of shares held. Shareholders are also entitled to be represented by a proxy at a General Meeting. According to the Articles of Association, the Board may also decide to allow shareholders to exercise their voting rights through postal voting before the General Meeting.

All shares in Sandvik carry equal voting rights with one vote per share.

2023 Annual General Meeting

Shareholders representing 60.1 percent of the share capital and votes participated at the Annual General Meeting held on April 27, 2023. Resolutions included the following:

- Dividend of SEK 5.00 per share

Ten largest shareholders, December 31, 2023, %

AB Industrivärden	14.1
Alecta Pension Insurance	4.5
Swedbank Robur Funds	4.3
Vanguard	3.2
Lundbergföretagen AB	2.9
BlackRock	2.9
Handelsbanken Funds	2.4
SEB Funds	1.9
Norges Bank	1.7
Fidelity International (FIL)	1.4

Source: Monitor by Modular Finance AB

- Re-election of Board members Jennifer Allerton, Claes Boustedt, Marika Fredriksson, Johan Molin, Andreas Nordbrandt, Helena Stjernholm, Stefan Widing and Kai Wärn as well as re-election of Johan Molin as Chairman of the Board
- Re-election of PricewaterhouseCoopers AB as auditor
- Approval of the Board's remuneration report
- Adoption of a long-term incentive program in the form of a performance share program for about 350 senior executives and key employees in the Group
- Authorization for the Board to decide on acquisition of the company's own shares up to a maximum of 10 percent of all the shares in the company



The 2023 Annual General Meeting was held at the Göransson Arena in Sandviken, Sweden.

For additional information about the Annual General Meeting, including the minutes, visit: home.sandvik.com.

2024 Annual General Meeting

The next Annual General Meeting will be held in Sandviken, Sweden, on April 29, 2024. More information can be found in the notice convening the General Meeting and at: home.sandvik.com.

Nomination Committee

The Nomination Committee is a preparatory body that prepares proposals for, among other things, the election of the Board, the Chairman of the Board and auditors as well as fees for adoption at the General Meeting. The Annual General Meeting has adopted instructions for the Nomination Committee, which include

Nomination Committee's tasks ahead of the 2024 Annual General Meeting

- Proposal concerning the Chairman of the Meeting
- Proposal concerning the number of Board members
- Proposal concerning remuneration of each Board member
- Proposal concerning the Board and Chairman of the Board
- Proposal concerning auditor and remuneration of the auditor
- If deemed necessary, proposal for changes to the Nomination Committee's instruction concerning the procedure for appointment of the Nomination Committee for the forthcoming Annual General Meeting and its assignment

procedures for appointing the Nomination Committee, valid until the General Meeting resolves on a change. In accordance with these instructions, the Nomination Committee shall consist of members appointed by each of the four largest shareholders in terms of the number of votes on the final business day in August plus the Chairman of the Board (convener).

Nomination Committee for 2024 AGM

For the 2024 Annual General Meeting, the Nomination Committee consists of Fredrik Lundberg, Chairman (Industrivärden), Daniel Kristiansson (Alecta), Marianne Nilsson (Swedbank Robur Funds), Lars Pettersson (Lundbergs) and Johan Molin (Sandvik's Chairman of the Board).

Up to the date of this Annual Report, the Nomination Committee met on three occasions. The Nomination Committee was informed of the results of the Board's own evaluation. The Committee met with the President and CEO and the Group CFO who presented the company's strategy. The Nomination Committee discussed the general criteria that Board members should fulfill, including the independence requirement, and reviewed the number of Board assignments that each Board member has in other companies. The Nomination Committee applied rule 4.1 of the Code as the diversity policy. This rule states that the Board shall have an appropriate composition in view of the company's operations, phase of development and other relevant circumstances, display diversity and breadth in terms of

qualifications, experience and background of the Board members elected by the General Meeting and that the company shall strive for gender balance.

Board of Directors

The Board is responsible for the company's organization and the management of the company's business. The Board is required to continuously monitor the company's and the Group's financial position.

The Board is to ensure that the company's organization is designed in a way that ensures that the financial statements, the management of assets and the company's financial condition in general are controlled in a satisfactory manner. The Board also adopts the strategy for the Group and monitors the performance and compliance with relevant rules and strategic plans.

The President is appointed by the Board and is responsible for the daily operations pursuant to guidelines and instructions issued by the Board. The distribution of responsibilities between the Board and the President is laid down in the Board's Procedural Guidelines which are reviewed and adopted each year. The review is based on such aspects as the Board's evaluation of the individual and collective work that the Board performs.

In addition to financial reporting and the monitoring and follow-up of daily operations and profit trend, Board meetings address the goals and strategies for the operations, significant acquisitions and investments, as well as

matters relating to the capital structure. Senior executives report business plans and strategic issues to the Board on an ongoing basis.

Composition

As of December 31, 2023, Sandvik's Board consisted of eight members elected by the Annual General Meeting. The Nomination Committee communicated before the 2023 Annual General Meeting that the Nomination Committee had applied rule 4.1 of the Code as the diversity policy. The current Board composition is the result of the work of the Nomination Committee prior to that General Meeting. The Board consists of members with experience from different geographic areas and different industry sectors. Excluding the President, 43 percent of the Board members elected by the General Meeting are women. No Board member represents any under-represented social groups.

Pursuant to Swedish legislation, trade unions are entitled to representation on the Board and they have appointed two members and two deputies.

The Board members are presented on pages 54–55.

Independence

Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company and Stefan Widing is not regarded as independent in relation to the

company and its executive management. The other five Board members elected by the General Meeting are all independent in relation to Sandvik and its executive management, as well as the company's major shareholders. Accordingly, the composition of the Board complies with the independence requirements of the Code. The President is the only executive member of the Board.

Board proceedings during 2023

During the year, the Board held 14 meetings. The Board addressed matters related to the Group strategy, the new Sandvik brand, financial targets and cash management, sustainability reporting, succession planning and talent manage-

ment, investments and operational restructuring and review of previously made investments.

The Presidents of all business areas presented their goals and strategies and the Board also reviewed the strategies and results from a number of the divisions. Further, the Board handled matters relating to the acquisitions of Buffalo Tungsten, Inc., MCB Services and Minerals, Premier Machine Tools Ltd and Norgalv Ltd.

The Remuneration Committee, Audit Committee and the Acquisitions and Divestitures Committee reported from their respective meetings. With respect to the Audit Committee, reported matters included accounting principles, financial

Attendance at Board and Committee meetings in 2023

Member	Board	Audit Committee	Remuneration Committee	Acquisitions and Divestitures Committee
Total number of meetings	14	5	3	1
Jennifer Allerton	14			
Thomas Andersson	14			
Claes Boustedt	14	5		1
Marika Fredriksson	13			
Fredrik Håf	14			
Erik Knebel	14			
Thomas Lilja	13			
Johan Molin	14	5	3	1
Andreas Nordbrandt	14			
Helena Stjernholm	14	5	3	1
Stefan Widing	14			
Kai Wörn	14		3	

Composition of the Board as of December 31, 2023

Name	Function	Independent in acc. with the Code	Shareholding, number ¹⁾ Dec 31, 2023	Elected	Audit Committee	Remuneration Committee	Acquisitions and Divestitures Committee
Jennifer Allerton	Member	Yes	10,000	2015			
Thomas Andersson	Member ²⁾		0	2012			
Claes Boustedt	Member	Yes	50,000	2015	Chairman		Member
Marika Fredriksson	Member	No ³⁾	2,500	2017			
Fredrik Håf	Deputy ²⁾		2	2022			
Erik Knebel	Deputy ²⁾		1	2021			
Thomas Lilja	Member ²⁾		4,840	2016			
Johan Molin	Chairman	Yes	950,000	2015	Member	Chairman	Chairman
Andreas Nordbrandt	Member	Yes	0	2021			
Helena Stjernholm	Member	No ³⁾	5,000	2016	Member	Member	Member
Stefan Widing	Member	No ³⁾	65,464	2020			
Kai Wörn	Member	Yes	12,000	2020		Member	

1) Pertains to own and closely related persons' shareholdings in Sandvik AB.

2) Employee representatives (both members and deputy members participate in Board meetings). Thomas Lilja (member) and Erik Knebel (deputy) represent Unionen/Ledarna/Swedish Association of Graduate Engineers. Thomas Andersson (member) and Fredrik Håf (deputy) represent IF Metall.

3) Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company and Stefan Widing is not regarded as independent in relation to the company and its executive management.



outcome, ERM, compliance, Speak Up and Code of Conduct, internal control and internal audit as well as the result of the external audit. The Committees also submitted matters for resolution by the Board and the minutes and reports from these meetings were made available to the Board members.

In the autumn of 2023, the Board traveled to Canada to visit Sandvik's operations in Winnipeg and a customer mine where Sandvik's Battery Electric Vehicles are being used.

Remuneration of the Board

As resolved at the 2023 Annual General Meeting, the fee to the Chairman of the Board was SEK 2,875,000 and the fee to each of the non-executive Board members elected by the General Meeting was SEK 770,000.

In addition, SEK 338,000 was paid to the Chairman of the Audit Committee and SEK 192,000 to each of the other Committee members, in total SEK 722,000. The Chairman of the Remuneration Committee was paid SEK 161,000 and each of the other Committee members SEK 127,000, in total SEK 415,000. The Chairman of the Acquisitions and Divestitures Committee was paid SEK 218,000 and each of the other Committee members SEK 161,000, in total SEK 540,000.

For more detailed information on remuneration of the Board members, see note G4.

Evaluation of the work of the Board

To ensure the quality of the work of the Board, optimize the work processes and identify the possible need for further expertise and experience, the work of the Board and its members is evaluated annually. In 2023, the evaluation was led by the Chairman of the Board, without the involvement of an independent third party, and was carried out by way of each Board member responding anonymously to an online questionnaire. The Chairman also held separate evaluation discussions with all Board members. The compiled results of the evaluations were analyzed and subsequently presented to the Board as well as to the Nomination Committee.

Board Committees

The tasks of the Committees and their work procedures are stipulated in written instructions issued by the Board. The Committees' primary task is to prepare issues and present them to the Board for resolution.

The members of each Committee, including the Committee Chairman, are appointed annually by the Board at its constituent meeting held after the Annual General Meeting.

Remuneration Committee

During 2023 the members of the Remuneration Committee were Johan Molin (Chairman of the Committee), Helena Stjernholm and Kai Wärn. The tasks of the Remuneration Committee are, among others, those prescribed by the Code, which include preparing proposals regarding guidelines for remuneration of senior executives and long-term incentive programs for senior executives.

The Remuneration Committee decides on the remuneration to be paid to the Group Executive Management. Based on the recommendations of the Remuneration Committee, the Board decides the remuneration and terms of employment for the President.

For guidelines, remuneration and other benefits payable to the Group Executive Management, refer to the Guidelines for the remuneration of senior executives on pages 42–43 and note G4.

During 2023 the Remuneration Committee held three meetings.

Audit Committee

During 2023 the members of the Audit Committee were Claes Boustedt (Chairman of the Committee), Johan Molin and Helena Stjernholm. Areas addressed by the Audit Committee mainly related to:

- Monitoring the financial reporting and ensuring its reliability
- Effectiveness of the system of internal control and internal audit
- Planning, scope and follow-up of the internal and external audit for the year
- Assistance to the Nomination Committee with regards to proposal for auditor

- Monitoring of the external auditor's independence and objectivity vis-à-vis the company, including the extent to which the auditor provides other services than auditing services to the company
- The Group's systematic processes for overall corporate risk management, as well as more detailed risk management matters including legal disputes, compliance, corporate investigations, IT security, Group Digital Security Improvement, accounting procedures, taxation, treasury, finance operations, insurance coverage and pension issues
- The development and effectiveness of compliance processes, with special focus on ensuring operational stability of the compliance program
- Sandvik's Code of Conduct, Sandvik's global whistleblowing system, some specific cases managed through Speak Up as well as the overall effectiveness of the system
- Sandvik's sustainable business strategy and materiality analysis

During 2023 the Audit Committee held five meetings at which Sandvik's external auditor and representatives of the company's management were present.

Acquisitions and Divestitures Committee

During 2023 the members of the Acquisitions and Divestitures Committee were Johan Molin (Chairman of the Committee), Claes Boustedt and Helena Stjernholm. The purpose of the Committee is to prepare matters relating to major or strategically important acquisitions and divestitures for Board decisions. The Committee meets on an ad hoc basis, at the request of the President and CEO in consultation with the Chairman of the Board.

During 2023 the Acquisitions and Divestitures Committee held one meeting, during which the Committee reviewed matters related to a proposed acquisition.

President and Group Executive Management

The President is accountable for Group decision-making in all areas delegated by the Board. In order to ensure a full Group perspective in these matters, the President has appointed the Group Executive Management as an advisory forum, focusing on how to achieve Group targets, strategies, structure and organization. The Group Executive Management meets each month and its members are accountable for implementing the President's decisions.

In 2023, the Group Executive Management consisted of:

- Stefan Widing, President and CEO, and President of Sandvik Manufacturing and Machining Solutions
- Cecilia Felton, Executive Vice President and Chief Financial Officer
- Mats Eriksson, President of Sandvik Mining and Rock Solutions
- Richard Harris, President of Sandvik Rock Processing Solutions
- Nadine Crauwels, President of the Sandvik Machining Solutions business area segment
- Christophe Sut, President of the Sandvik Manufacturing Solutions business area segment (up until May 7, 2023)
- Mattias Nilsson, President of the Sandvik Manufacturing Solutions business area segment (as of May 8, 2023)
- Jessica Alm, Executive Vice President and Head of Group Communications and Sustainability (up until April 30, 2023)
- Björn Roodzant, Executive Vice President and Head of Group Communications and Sustainability (as of May 1, 2023)
- Johan Kerstell, Executive Vice President and Head of Human Resources
- Sofia Sirvell, Executive Vice President and Chief Digital Officer (as of March 1, 2023)
- Åsa Thunman, Executive Vice President and General Counsel

The members of the Group Executive Management are presented further on pages 56–57.

Business areas

The Sandvik organizational model is based on a decentralized business model. There are three separate business areas – Sandvik Mining and Rock Solutions, Sandvik Rock Processing Solutions and Sandvik Manufacturing and Machining Solutions – each based on distinct product offerings. Each business area has full responsibility and accountability for its respective business results.

Sandvik Manufacturing and Machining Solutions is divided into two business area segments – Sandvik Machining Solutions and Sandvik Manufacturing Solutions. Further, each of the three business areas is organized in a number of divisions based on product offering or brand. The division is the highest operational level in the Sandvik organizational structure. Certain divisions that are based on a product offering are divided into business units representing a defined part of the product offering.

For an overview of Sandvik's organizational model, refer to page 2 and visit [home.sandvik](https://www.home.sandvik) for more detailed information relating to the Group's business activities and product portfolios.

Group functions

There are five Group functions within Sandvik: Communications and Sustainability, Finance, HR, IT and Legal. Group functions specifically focus on setting the appropriate enabling structures and processes that are common for the Group or cover a specific area for which the Group is responsible.

External auditor

At the 2023 Annual General Meeting, the audit firm PricewaterhouseCoopers AB was re-elected auditor of Sandvik AB for the period until the 2024 Annual General Meeting. Peter Nyllinge is the auditor-in-charge.

The auditor continuously audits and monitors the company's general

accounting and the execution by the Board and the President of their respective responsibilities.

The progress of the audit is reported regularly during the year to the management teams of individual companies and the business areas, the Audit Committee and the Board. The auditor meets with the Board at least once a year without the President or any other member of the Group Executive Management attending.

The independence of the external auditor is guaranteed by the Audit Committee having determined the principles for allowing non-audit services to be provided by the auditor and, in some cases, pre-approving non-audit services.

Audit fees are paid continuously over the period in office on an approved current account basis. For detailed information on fees paid to the auditor, see note G5.

Internal control over financial reporting

The Sandvik organization manages a well-established financial reporting process aimed at ensuring a high level of internal control.

The internal control system aligns with the conceptual framework of COSO, which is based on five key components that provide an effective framework for describing and designing the internal control system implemented in the organization. The five components are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring and Follow-up. The application of the COSO framework is described below.

Sandvik's Board is ultimately responsible for the governance of risk management including internal control over financial reporting.

Control environment

Sandvik internal control over financial reporting forms an integral part of the operations, described in *The Sandvik Way*, which also includes risk assessments, policies, procedures and compliance.

The Sandvik Financial Reporting Policies and Procedures govern control



over financial reporting. These documents contain detailed instructions regarding accounting policies and financial reporting procedures to be applied by all Sandvik reporting entities.

A Sandvik Financial Internal Control Framework has been developed and includes key components such as well-defined roles and responsibilities, internal control procedures and the risk and control matrix which defines a mandatory minimum of control activities that contribute to the mitigation of risks to acceptable levels. Internal control implementation projects managed by Group Internal Controls were completed during the year. Future implementations (including new acquisitions) will be managed and implemented by the respective business area.

Risk assessment and risk management

The Enterprise Risk Management (ERM) process at Sandvik includes the area of financial reporting. Read more about the ERM program on page 58.

Key risks noted in local assessments and observations made by Internal and External Audit are also taken into consideration to ensure that adequate controls exist to mitigate these risks.

Control activities

Mandatory control activities include business process controls, IT controls and corporate governance controls focusing on compliance with policies and procedures. Internal controls are tailored per each operational entity based on risks and applicability. Entity management and process owners are responsible for

ensuring that internal controls are operated as per agreed design.

At Group level, Group Control manages the reporting process to ensure the completeness and accuracy of financial reporting and compliance with IFRS requirements.

Controllers in the divisions and business areas perform analytical reviews and investigations, conduct business trend analyses and update forecasts.

Information and communication

Policies and procedures related to financial reporting are updated and communicated on a regular basis to all entities.

Results of monitoring and status of improvement activities related to internal controls are included in the CFO report which is part of the agenda for the Audit Committee meetings.

Quarterly interim reports are published externally and are supplemented by investor meetings attended by members of the Group Executive Management.

Monitoring and follow-up

Entity management as well as local and global process owners are responsible for testing the effectiveness of internal controls through self-assessments every six months and according to the requirements in the Sandvik Internal Control Framework. Results of the self-assessment testing of controls including test evidence are reported and consolidated in a Governance, Risk and Compliance IT tool. The tool also requires reporting of action plans with the purpose to remediate ineffective controls.

Business areas and divisions are to monitor the remediation of ineffective controls. The Audit Committee monitors the effectiveness of internal controls related to financial reporting presented by management with potential deficiencies and suggested actions.

The Board reviews all quarterly interim reports as well as the Annual Report prior to publishing. The Audit Committee reports to the Board regarding internal control matters including matters for resolution. Minutes from Audit Committee meetings are made available to Board members.

Internal audit

Internal Audit is subordinated to the Audit Committee and the Vice President of Internal Audit reports to the Audit Committee.

Internal audits include, as a basis, the Group's policies for corporate governance, risk management and internal control regarding areas such as financial reporting, compliance with the Code of Conduct and IT.

The outputs of the audits include action plans and programs for improvement. Findings are reported to the business area management and to the Audit Committee.

Internal Audit interacts with External Audit on a periodic basis to discuss and share audit plans and audit results.

Board of Directors



Johan Molin

Born 1959. Chairman of the Board since 2015. Chairman of the Remuneration Committee and the Acquisitions and Divestitures Committee and member of the Audit Committee.

Education and business experience:

M.Sc. in Business and Economics, Stockholm School of Economics. President and CEO of Assa Abloy 2005–2018. President and CEO of Nilfisk-Advance 2001–2005. Various positions within Atlas Copco 1983–2001.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 950,000.



Jennifer Allerton

Born 1951. Board member since 2015.

Education and business experience:

M.Sc. in Physics and B.Sc. in Mathematics, Physical Sciences and Geosciences. Chief Information Officer at F. Hoffmann-La Roche Ltd 2002–2012. Technology Director at Barclaycard 1999–2002. Various positions at ServiceNet, USA, BOC (now Linde), Cable & Wireless Business Networks and Unilever plc.

Current board assignments:

Board member of Iron Mountain Inc. and Barclays Bank Ireland plc.

Shareholding in Sandvik (own and closely related persons): 10,000.



Claes Boustedt

Born 1962. Board member since 2015. Chairman of the Audit Committee and member of the Acquisitions and Divestitures Committee.

Education and business experience:

M.Sc. in Business and Economics, Stockholm School of Economics. Executive Vice President of L E Lundbergföretagen AB since 1997. President of L E Lundberg Kapitalförvaltning AB since 1995.

Current board assignments:

Board member of Hufvudstaden AB, Förvaltnings AB Lunden and Alleima AB.

Shareholding in Sandvik (own and closely related persons): 50,000.



Marika Fredriksson

Born 1963. Board member since 2017.

Education and business experience:

Master of Business Administration. CFO and Group Executive Vice President of Vestas Wind Systems A/S 2013–2022. CFO of Gambro AB 2009–2012. CFO of Autoliv Inc. 2008–2009. Various positions within Volvo 1996–2008, including CFO and Senior Vice President Finance and Strategy at Volvo Construction Equipment Corporation.

Current board assignments:

Chairman of the board of Emagine A/S and board member of AB Industrivärden, A.P. Møller-Mærsk A/S., KONE Oyj and Ecolan AB.

Shareholding in Sandvik (own and closely related persons): 2,500.



Andreas Nordbrandt

Born 1971. Board member since 2021.

Education and business experience:

M.Sc. in Mechanical Engineering and Hydraulics. President of the Underground Rock Excavation Division within the Epiroc Group 2018. Various positions within the Atlas Copco Group 1995–2018, including President of the Underground Rock Excavation Division, President of the Rocktec Division, Vice President Service Operations and Operations Manager Business Line Manager, Service Division, Atlas Copco Mining and Rock Excavation Australia.

Current board assignments:

Chairman of the board of Alleima AB.

Shareholding in Sandvik (own and closely related persons): 1,375 (acquired February 1, 2024).



Helena Stjernholm

Born 1970. Board member since 2016. Member of the Audit Committee, the Remuneration Committee and the Acquisitions and Divestitures Committee.

Education and business experience:

M.Sc. in Business and Economics, Stockholm School of Economics. President and CEO of AB Industrivärden since 2015. Investment manager and subsequently partner at IK Investment Partners 1998–2015. Consultant at Bain & Company 1997–1998.

Current board assignments:

Board member of AB Industrivärden, Telefonaktiebolaget LM Ericsson and AB Volvo.

Shareholding in Sandvik (own and closely related persons): 5,000.

Employee representatives



Stefan Widing

Born 1977. Board member since 2020.

Education and business experience:

M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. President and CEO, Sandvik AB, and President of the Sandvik Manufacturing and Machining Solutions business area since 2020. Various positions within the Assa Abloy Group 2006–2020, including Executive Vice President HID Global division 2015–2020, Director of Product Management and General Manager of Shared Technologies Unit. Various positions in the Saab Group 2001–2006.

Current board assignments: Board member of the Swedish Association of Industrial Employers (Industriarbetsgivarna).

Shareholding in Sandvik (own and closely related persons): 65,464.



Kai Wärn

Born 1959. Board member since 2020. Member of the Remuneration Committee.

Education and business experience:

M.Sc. in Mechanical Engineering, the Royal Institute of Technology, Stockholm. President and CEO of Husqvarna AB 2013–2020. Operations partner at IK Investment Partners Norden AB 2011–2013. President and CEO of Seco Tools AB 2004–2010. Various positions within ABB 1985–2004.

Current board assignments:

Chairman of the board of Electrolux Professional AB and SunStreet Energy AB.

Shareholding in Sandvik (own and closely related persons): 12,000.



Thomas Andersson

Born 1962. Board member since 2022, deputy Board member 2012–2022 (employee representative, IF Metall).

Education and business experience:

Chairman of the Union Committee, Metal Workers' Union, Sandvik Coromant, Gimo. Various operator positions at Gimoverken, Sandvik Coromant, since 1984. Construction firm Anders Diös 1980–1984.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 0.



Fredrik Håf

Born 1983. Deputy board member since 2022 (employee representative, IF Metall).

Education and business experience:

Chairman of the Union Committee, Metal Workers' Union, division Rock Tools, Sandviken, Sweden. Various operator positions at division Rock Tools, since 2002.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 2.



Thomas Lilja

Born 1975. Board member since 2016 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business experience:

Technical College Graduate, Mechanical Engineering. Chairman Trade Union, Unionen Sandvik Sweden and Unionen Coromant and Machining Solutions. Various purchasing positions within Sandvik 2000–2010 and various production and logistics positions within Scania 1995–2000.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 4,840.



Erik Knebel

Born 1965. Deputy Board member since 2021 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business experience:

Technical College Graduate, Mechanical & Automation. Chairman of the Swedish Association of Graduate Engineers Sandvik Sweden and Sandvik Coromant Gimo. Various positions within Sandvik Coromant and Sandvik Machining Solutions since 1990; Production, IT and Quality.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 1.

HONORARY CHAIRMAN

Percy Barnevik

Born 1941. Chairman of the Board of Sandvik AB 1983–2002.

BOARD SECRETARY

Åsa Thunman

Born 1969. Executive Vice President and General Counsel, Sandvik AB, since 2014.

AUDITOR

PricewaterhouseCoopers AB

Auditor-in-charge: Peter Nyllinge, Authorized Public Accountant.

Other auditing assignments:

Saab AB, Getinge AB and AB Electrolux.

Group Executive Management



Stefan Widing

Born 1977. President and CEO, Sandvik AB, President of the Sandvik Manufacturing and Machining Solutions business area since 2020.

Education and business experience:

M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. Various positions within the Assa Abloy Group 2006–2020, including Executive Vice President HID Global division 2015–2020, Director of Product Management and General Manager of Shared Technologies Unit. Various positions in the Saab Group 2001–2006.

Current board assignments: Board member of the Swedish Association of Industrial Employers (Industriarbetsgivarna).

Shareholding in Sandvik (own and closely related persons): 65,464.



Nadine Crauwels

Born 1971. President of the Sandvik Machining Solutions business area segment since 2020.

Education and business experience:

M.Sc. in Mechanical Engineering. President of Sandvik Coromant 2017–2020. Various other positions within Sandvik Coromant since 2000, including Vice President Customized Solutions and Strategic Relations, and Sandvik Coromant Manager Switzerland. Project Engineer and Consultant for the metal cutting industry at WTCM (today Sirris) 1995–2000.

Current board assignments: Board member of Alfa Laval AB.

Shareholding in Sandvik (own and closely related persons): 10,925.



Mats Eriksson

Born 1962. President of the Sandvik Mining and Rock Solutions business area since 2022.

Education and business experience:

B.Sc. in Computer Science. President of the Load and Haul division 2016–2022. President and CEO of Cencorp Oyj 2010–2012 and Salcomp Oyj 1998–2006 as well as leading positions for several other companies.

Current board assignments:

Board member of Sandvik Pension Fund in Finland.

Shareholding in Sandvik (own and closely related persons): 4,866.



Cecilia Felton

Born 1984. Executive Vice President and Chief Financial Officer, Sandvik AB, since 2022.

Education and business experience:

B.Sc. Environmental Policy with Economics. Various positions within Sandvik since 2013, including acting Chief Financial Officer, Vice President Group Control and Director Group M&A and Investments, and Director Group Business Control. Various positions within Ernst & Young, Operational Transaction Services, London, 2007–2013.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 4,999.



Richard Harris

Born 1970. President of the Sandvik Rock Processing Solutions business area since 2022.

Education and business experience:

Bachelor of Engineering and Chartered Engineer. Various positions within Sandvik since 2002, including President of the Walter division 2019–2022, President of the Wolfram division 2016–2019 and different Supply and Production Director roles. Previously various positions within manufacturing companies, including Production Manager at Land Rover and Plant Manager at Keiper UK Ltd.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 5,772



Johan Kerstell

Born 1970. Executive Vice President and Head of Human Resources, Sandvik AB, since 2016.

Education and business experience:

M.Sc. in Business and Economics. Various positions in Human Resources within Sandvik since 2004. Consultant at Cap Gemini 1999–2003.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 31,779.



Mattias Nilsson

Born 1972. President of the Sandvik Manufacturing Solutions business area segment since May 2023.

Education and business experience:

B.Sc. in Business Administration, Finance and Accounting. Various positions within Sandvik since 2007 including Vice President Offer Management and R&D at Sandvik Coromant 2021–2023.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 3,522.



Björn Roodzant

Born 1969. Head of Group Communications and Sustainability, Sandvik AB, since May 2023.

Education and business experience:

M.Sc. in Economics, Strategy and Marketing. Various positions within Sandvik since 2004, including Vice President Marketing and Communications at Sandvik Coromant.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 3,873.



Sofia Sirvell

Born 1974. Executive Vice President and Chief Digital Officer (CDO), Sandvik AB, since March 2023.

Education and business experience:

M.Sc. in Industrial Engineering. Various positions within H&M 2006–2021 including Deputy Chief Technical Officer 2020–2021 and Head of Strategy IT 2019–2020.

Current board assignments: –

Shareholding in Sandvik (own and closely related persons): 1,450.



Åsa Thunman

Born 1969. Executive Vice President and General Counsel, Sandvik AB, since 2014.

Education and business experience:

Master of Laws (LL.M), Sweden and the Netherlands. Various positions within Securitas 2009–2014, including General Counsel, Elekta AB 1999–2009, including General Counsel, and Lagerlöf & Leman law firm 1996–1999.

Current board assignments:

Board member of the Swedish Association of Listed Companies (Aktiemarknadsbolagens förening).

Shareholding in Sandvik (own and closely related persons): 5,497

Changes in the Group Executive Management

Jessica Alm, Head of Group Communications and Sustainability, left Sandvik and was succeeded by Björn Roodzant in May 2023. Christophe Sut, President Sandvik Manufacturing Solutions, left Sandvik and was succeeded by Mattias Nilsson in May 2023. Sofia Sirvell was appointed Chief Digital Officer and member of the Group Executive Management as of March 2023.

Information regarding board assignments and holdings of shares as of December 31, 2023.

Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.

Risk management

The Sandvik risk management process aims to support our business in managing and mitigating critical risks which may impact our ability to achieve our financial targets and strategic objectives.

ERM – a part of our strategic work

To effectively identify and manage risk is an important element of business success for all parts of the Sandvik business.

Sandvik has implemented an Enterprise Risk Management (ERM) program that covers all business areas, divisions, and functions within the Group. The Sandvik Board of Directors is ultimately responsible for the governance of risk management and Sandvik's Group Executive Management ensures there is a common and efficient process in place. All management teams are responsible for their own risk management. The teams must follow the minimum requirements outlined in The Sandvik Way, which requires reviewing the strategic and operational risks at least annually. The ERM methodology is also used as a tool for decision-making, operationally and within projects, as well as in the strategy process in various levels of the Group.

Sandvik Group key risks

Since 2022, we have complemented the bottom-up process with a strategic analysis at the Group Executive Management level to more specifically identify key risk areas that are tied to our ability to execute on our Make the Shift Strategy on the Group level. The purpose is to get a more focused and concrete risk landscape for the Group to enable good follow-up of the different risk-mitigating activities in relation to the strategic goals. The Sandvik Key Risk map is presented on page 17.

An ERM report, summarizing key risks and mitigating activities across our business, was provided to Sandvik's Audit

Committee and Board of Directors in December 2023. The Board of Directors' and the Audit Committee's involvement in the ERM process is further described on pages 51–52.

Insurance as a risk management tool

Sandvik has tailored insurance programs that transfer the risks associated with, amongst others, the Group's property, cargo, and liability exposures. Insurable risks are continuously evaluated and actions are taken to reduce these insurable risks, as part of Sandvik's loss-prevention strategy. During 2023, a Technology Errors and Omissions insurance was procured to meet customer expectations within our software business. Supported by our loss-prevention procedure and guidelines, risk evaluations highlight opportunities to reduce the potential for business interruption and to ensure the Group's ability to deliver to its customers. In order to ensure cost efficient and tailored insurance solutions, selected risks are reinsured through the Group's captive insurance company.

Business continuity and crisis management

The Global Risk Management Policy and related procedures for business continuity and crisis management set the requirements for local management teams to ensure their ability to successfully respond to disruptive events and continue their business operations on an acceptable level when faced with challenges. Once a risk materializes, our crisis and business continuity management priorities are to minimize harm to

people, to the environment, and to minimize damage to Sandvik's business, as well as ensuring a swift return to normal activities and safeguarding the company brands.

Internal audit and internal control in Sandvik's risk work

The internal audit function regularly follows up the implementation of different risk management programs such as ERM, business continuity, crisis management and the insurance programs. Sandvik applies group-wide internal controls to monitor risk mitigations. Read more about the internal controls program at Sandvik on pages 52–53.

Sandvik Group risk profile

The Sandvik Group risk profile is based on the bottom-up ERM process where the divisions, business areas and functions first make their assessment and the Group Risk Management Council makes recommendations for a new Group risk profile based on the outcome of these assessments. The ERM process is complemented with a strategic analysis at the Group Executive Management level to create the Group Key Risk map. The map is also coupled with a follow-up model for tracking the different initiatives that lead to better risk mitigation, which the Group Executive Management team review and discuss every quarter, thus creating a more dynamic and strategically relevant risk management discussion at the highest levels of the company.

The outcome of these two processes is presented in the table on page 60, together with examples of what the identified risks mean for Sandvik in



In risk management, there are many crossroads to navigate.

different parts of the organization and the mitigating activities taken to manage them.

Sustainability and climate change

Assessment and management of sustainability risks, including climate change, are integrated parts of the ERM program and are set out in the Sandvik Key Risks map and Risk Profiles in different parts of the organization. During 2022 we conducted an assessment of current and future natural and climate change-related hazards for Sandvik locations covering 285 individual sites and 94 percent of the overall Total Insured Value (TIV). The assessment reflects the current situation and models the evolution of Natural Hazards under

different climate change scenarios and at different future time horizons.

The goals with the assessment were to provide an overview of the physical climate risks facing the portfolio of sites at different time horizons and under different climate change scenarios and to establish a ranking of locations from high to low climate risk based on climate data and insured values. The assessment is used to support in the identification and prioritization of management actions, which may include in-depth assessments of sites and investments in resilience measures, as upcoming steps in Sandvik's climate resilience journey.



Read more about the strategic risk landscape on page 17.

Strategic objective	Key risk	What does this mean?	Examples of what do we do (mitigation)
Shift to growth 	Geopolitical development	Trends towards regionalization or nationalization and trade wars Disruptive events (natural disasters, pandemic)	Reviewing regional strategies and footprint distribution and supply chain
	Securing key supply	Potential resource constraints around supply of battery cells and minerals	Different initiatives around sourcing and business continuity planning
	Acquisition value creation	Business case delivery Ensure efficient administrative integration	M&A Tracker/review process and score cards Integration follow-up processes with business reviews
	Business transformation	Electrification of the mine Closed loop manufacturing Execution of the digital shift and data-driven productivity	Performance management and execution of the strategy for M&A, product development and the six moves for enabling the digital shift
	Inventory build-up/ cash conversion	Access to cash M&A agenda realization	Inventory management projects in all business areas and divisions
Digital shift 	Digital disruption	Cyber security Information security Disruption by digital players	Cyber security improvement program and the six steps Sandvik has identified to enable the digital shift
Sustainability shift 	Being compliant	Ensuring an ethical culture Increased regulatory complexity Stricter financing requirements	Learning and workshop initiatives across the organization, digital journey and a new Third Party Management policy and process
	Changing regulatory requirements	Trade sanctions Product/safety requirements Change to data-driven processes	CSRD preparation project Compliance digital journey to increase agility
Agile through cycle 	Managing inflation	Price management Leverage procurement capabilities	Ongoing price management efforts and price/volume growth tracking Different sourcing initiatives to increase flexibility/agility
	Managing downturn	Meeting target EBITA range Timely execution of contingency plans Margin volatility	Contingency plans, strong performance management and agile decision process with decentralized approach for each part of the business
Customer's 1st choice 	Understand changing customer needs	Customer centricity Timely adjustment to market transformation Ensuring customer value	Customer satisfaction measurement, with divisions, business units and sales areas taking necessary actions close to the customers
Employer of Choice 	Key talent attraction and retention	New talent (digital, electrification, sustainability) Re-skill existing workforce	Talent attraction and development projects in all parts of the business Group common employer branding initiatives targeting new competence areas



Sustainability governance

The sustainability governance of the Sandvik Group is grounded in its business strategy, business model, and international frameworks. Relevant goals are established to address material areas and effectively manage associated impacts, risks, and opportunities. Policies and management systems have been set to ensure financial, environmental and social compliance.

Governance structure

The Sandvik Board of Directors holds primary responsibility for sustainability oversight within Sandvik and the Audit Committee monitors the sustainability reporting. Implementation is delegated to the President and CEO of Sandvik.

The Group Executive Management bears the overarching responsibility for the Sandvik sustainability strategy and agenda. Implementation and follow-up, however, are the responsibilities of the Group functions, business areas and divisions. Additionally, the business areas are tasked with assessing and managing sustainability risks in their operations. The coordination within the Group is managed by the Group Communications and Sustainability function. Key performance indicators (KPIs) are consolidated and reported to track goals at both Group and business area levels. Annually, we assess our performance, establish targets, and outline focus actions for the upcoming year.

The Sustainability Council serves as a collaborative forum for cooperation and best practice sharing across Sandvik, with representation from both business areas and Group functions. Group Sustainability coordinates the sustainability agenda together with the business areas and Group functions.

Board's sustainability competence

The Board consists of members with experience from different geographic areas and different industry sectors. All Board members have long experience from managing different positions in global, industrial companies in different

functions, which includes the topics generally covered by the sustainability concept. Many of the Board members are former CEOs or senior managers of other global, industrial companies and as such, have extensive experience from managing environmental, social, and governance-related impacts of the business in all parts of its value chain.

Board's role in overseeing management of sustainability impacts

The Board oversees the due diligence and other processes to manage the impact Sandvik has on the economy, environment and people through many different processes, managed through the Board's Procedural Guidelines and the policies and procedures in The Sandvik Way. The normal Board processes include regular reports to the Board and its Committees on risk management, human resource management, sustainable supplier management, compliance and environment, and health and safety reporting. Key KPIs within the areas are tracked and reported to the Board on a quarterly basis, both through the interim reports and the Key Objectives tracking. The Audit Committee supports the Board in reviewing performance in these areas.

Stakeholder engagement is managed through the operational structure. This includes Investor Relation meetings with key shareholders, dialogues with the Board union representatives as well as considering external analyst and shareholder reports.

The Board uses this information in the strategic planning for the Group and updates the guidance to management as

appropriate, considering the overall balance of the different interests. For example, after input from stakeholders, the Remuneration Committee has requested management to investigate potential Environmental, Social, Governance (ESG) targets for one or several of the existing incentive programs during 2024.

Evaluation and reporting

The effectiveness of the processes described above is evaluated using, for example, the internal controls framework, internal and external audits in different parts of the value chain (including supplier audits), as well as the feedback from the Speak Up system and investigations conducted as part of that process.

Sustainability is an integrated part of the reports submitted to the Audit Committee and sustainability reports are also made available to the Board on at least a quarterly basis. These reports include stakeholder engagement and results of the evaluation of the effectiveness of processes.

In 2023, the Board of Directors also received updates on the new sustainability strategy and the Corporate Sustainability Reporting Directive (CSRD) project. The Communication and Sustainability function informed the Audit Committee of relevant sustainability matters and communicated progress throughout the year. Both the Audit Committee and the Board of Directors proactively sought information and engaged in discussions on related topics, including CSRD.

Materiality assessment

Sandvik has performed a double materiality assessment to determine material topics. The double materiality assessment was performed supported by the topics included in the CSRD and GRI as well as the dependence on natural, social, and human resources. The outcome of the assessment results in material impacts, risks, and opportunities, and forms the basis of this year's GRI reporting. The impact assessment includes positive, negative, actual, and potential impacts. The mapping and understanding of impacts were primarily centered on the value chains where impacts were deemed most likely to occur. Upstream, this included transportation of products and sourcing of minerals and metals from high-risk countries, as well as sourcing of conflict minerals and cobalt. Downstream, focus was on transportation of products and people, the mining sites in high-risk areas, and the end-of-life of our business areas' products.

Impacts were evaluated using scale, scope and irremediability determining the severity of an impact as well as likelihood for potential impacts. The evaluation of positive and negative impacts relied on internal expertise within different areas such as supplier management, environment, human resources, health and safety, community involvement and law. The participants came from different business areas, functions, and geogra-

phies within Sandvik, which brought different perspectives and experience on Environmental, Social and Governance (ESG) topics in the value chain. The assessment also considered external reports, legislation, and frameworks. These sources included the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the OECD Due Diligence Guidance for Responsible Mineral Supply Chains, as well as supplier risk screening through EcoVadis and supplier audits. The process involved workshops and interviews.

In the financial materiality assessment, risks and opportunities were assessed by the magnitude of the financial consequence as well as likelihood. The financial materiality assessment was based on a short-term perspective which highlighted the most urgent topics. In the coming year, the medium perspective will be further investigated and included in the analysis. Based on the input collected, a threshold value for the topics was defined, above which the topics were deemed material and as such a basis for our reporting.

Sandvik has a multitude of interactions across the value chain: suppliers, customers, and our own operations and interactions related to the end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks, and opportunities.

Material topics

- Affected communities
- Biodiversity and ecosystems
- Business conduct
- Climate change
- Equal treatment and opportunities for all
- Health and safety
- Pollution & air pollution
- Recycled input materials
- Reconditioning and refurbishment
- Waste
- Water and marine resources
- Workers in the value chain

A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic. A topic is also material if it triggers financial effects on the company that are likely to influence its future cash flow. The changes in material topics from last year include the addition of biodiversity and ecosystems, water and marine resources, as well as pollution and air pollution.



Examples of contributions to the Sustainable Development Goals

Sandvik contributes to achieving the Sustainable Development Goals according to the UN's 2030 Agenda. By integrating the sustainability goals, also known as the Sustainable Development Goals (SDGs), into our operations and strategy, we work to create a positive impact on society and the environment.



minerals, reduced environmental impact, and minimizing waste generation. The "opt-out" program implies that customers are automatically enrolled in the recycling initiative unless they choose to decline or "opt-out" of participation. The initiative contributes to a circular system for cemented carbide.

Our division Wolfram started the development of tools using our Bergla® tungsten carbide powder, made entirely of recycled material, this year. It is produced from 100 percent recycled tungsten raw material in a manufacturing process that requires less than 10 percent energy compared to standard recycling methods, with 90 percent of the energy utilized being renewable. The advantage of the process is its combination of an existing

technology at Wolfram with the full integration of circularity, reusing waste material.

In 2023, Sandvik announced the strategic acquisition of tungsten powder manufacturer Buffalo Tungsten. The acquisition offers synergy potential, by optimizing materials sourcing and increasing the rate of locally produced tungsten metal powder through its facility in Depew, New York, US.

Waste circularity is a focal point in our 2030 targets. In May, the Seco division introduced product packaging made from 100 percent recycled materials, sourced from discarded household plastic packaging. The increased use of recycled plastic not only aids in reducing GHG emissions but also promotes circularity.

We continually strive to improve our practices for recycling and reuse at all our sites.

SDG 13 Climate action

In September 2023, our GHG reduction targets received approval from the Science Based Targets initiative (SBTi) (read more about this on page 13). We are committed to achieving net-zero GHG emissions across the entire value chain by no later than 2050. Our near-term objectives include achieving a 50 percent reduction in absolute scope 1 and 2 GHG emissions by 2030, a 30 percent reduction in absolute scope 3 emissions and a 90 percent reduction in absolute scope 1 and 2 GHG emissions by 2040. All targets have 2019 as the base year.

Code of Conduct

Sandvik believes that ethical and sustainable business practices are a crucial foundation for a successful business.

Sandvik has a long history of working in accordance with applicable laws and internationally recognized principles, as well as in partnership with our local communities. Our Code of Conduct is built on our internal core values and external principles, such as the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact.

We are also committed to adhering to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Code of Conduct is a vital component in The Sandvik Way, our governance framework. It shows us how we need to act as individual employees, as a company and what ethical standards we should adhere to in our day-to-day work, and it is an important enabler for achieving our 2030 Sustainability Goals.

Speak Up

Employees and external parties who witness a violation of the Code of Conduct, laws or our policies can report the violation, anonymously, through the global whistleblowing tool Speak Up. All reports are assigned to an investigator from the relevant business area that conducts the investigation taking into account the principle of independent and impartial investigation. The Ethics Office oversees the effectiveness of the Speak Up process. Reports, investigations and remediations are recorded, monitored, and included in reporting to the Audit Committee.

No retaliation may be taken against an employee or business partner who, in good faith, voices their concern, as is outlined in the Speak Up policy.

Our reporting tool, Speak Up, is publicly and directly accessible by all stakeholders. They can raise concerns about the organization's negative impacts on them, including human rights concerns, and the process allows for grievances to be identified and addressed. In addition, certain countries have local grievance mechanisms and other mechanisms to support employees beyond legal requirements, such as foundations that provide rehabilitation and financial support in relation to health and well-being. The European Works Councils and relevant local unions have been involved in

the setup of local whistleblowing channels and appointments of investigators.

Compliance

The Sandvik Compliance System encompasses four key areas: Anti-Bribery and Corruption, Competition Law, Trade & Third-Party Management, and Data Privacy. The purpose is to establish a well-functioning structure for effectively managing primary compliance risks in all countries where Sandvik operates. Group Compliance sets the compliance program requirements, including risk identification, policies, relevant training and communication, monitoring and assurance, reporting, and more. These requirements are then implemented by each business area. The Group Compliance function reports to the Sandvik Group General Counsel, the Group Executive Management and the Audit Committee.

For the purpose of coordinating efforts, identifying synergies, and driving continuous improvements, a Compliance Functional Council has been established. This council, comprising representatives from both the Group and business areas, has been operational for several years and typically convenes on a quarterly basis.

Sandvik operates in countries and industries with elevated corruption and sanctions risks, both directly and indirectly through business relationships. This situation underscores the potential



significant impact the company could have on the economy, people, and the environment. To address these challenges, Sandvik has instituted an anti-corruption compliance program based on a zero-tolerance approach. Key guiding documents shaping this program include the Code of Conduct, an anti-corruption policy, and procedures governing commercial and administrative intermediaries, gifts, hospitality, travel and entertainment, and conflicts of interest. The commitment to identify and prevent corruption is not limited to these; it is also integrated into other steering documents such as the M&A procedure and the Community Involvement, Sponsorship and Donations procedure. Crucially, the Speak Up policy, along with its underlying investigation procedure, constitute vital components of the program.

All operational entities within Sandvik have a mandate to assess and collaboratively address their compliance risks together with the compliance organization. The aim is to identify and prevent potential negative impacts stemming from compliance-related issues. The actions taken by these entities undergo scrutiny from both internal and external audits. Any perceived negative impacts and weaknesses can also be raised, and where relevant, remediated through the Speak Up process. This process not only allows for the identification of concerns but also includes active engagement with individuals reporting issues, where possible. To measure and assess progress, targets and indicators are established annually through the Compliance Functional Council. These may include self-assessments covering various aspects, including anti-corruption, sanctions, export control, data privacy, and competition law efforts. Action plans are then formulated based on identified gaps, with a commitment to completing them within specified deadlines. This systematic approach ensures ongoing evaluation and improvement in our compliance practices.

Human rights and fair labor conditions

Our commitment to human rights and fair labor conditions is confirmed in both our Code of Conduct and Supplier Code of Conduct. These guiding documents endorse key international frameworks,

including the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Sandvik Code of Conduct, aligned with our core values, serves as a guide in the identification, prevention, and mitigation of risks associated with human rights and fair labor conditions.

To mitigate risks related to human rights, we continuously work to ensure compliance with national legislation and internationally agreed upon human rights standards and regulations. We regularly evaluate our processes and procedures for identifying, preventing, and mitigating these risks in the Group's operations and in our value chain. The double materiality analysis has taken consideration of human rights across our value chain. Our work on human rights and fair working terms is integrated into our regular processes and procedures in different ways, for example, in our Sustainable Supplier Management, our safety work and in our diversity, equity and inclusion work. We have zero tolerance for modern slavery in all its forms, forced labor, slave labor and/or child labor. We support children's rights and the right to education.

Every employee has the right to join a union and be covered by a collective agreement. Our commitment extends to rejecting all forms of harassment or bullying. We firmly believe in fostering a diverse workforce and maintain a zero-tolerance policy against discrimination based on sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief, marital status, social group, or any other characteristics.

Speak Up is our grievance mechanism that is available for employees and external partners for our entire value chain.

Employees

Sandvik is dedicated to providing a diverse, equitable, and inclusive workplace, ensuring fair remuneration and working terms that consider individual needs. Our People policy underscores our commitment to employees, outlining our approach to attracting, developing, and

retaining staff, and, when necessary, managing their exit from the business.

Leadership development

Our managers play a crucial role in fostering team growth and achieving results. Through our leadership model and global leadership programs, we establish clear expectations for both leadership capabilities and behaviors.

Young talent

With our Global Graduate Program, we attract young professionals and offer training across various segments of the Sandvik organization. One of the program's main objectives is to develop and prepare graduates for future key positions. Upon completion, participants transition into different roles within our business.

Diversity, Equity and Inclusion

Diversity, Equity, and Inclusion are vital aspects of our people strategy, integral to the 2030 Sustainability Goals and stipulated by our Code of Conduct and core value, fair play.

The business is responsible for implementing and communicating the 2030 goals, ensuring resource allocation, and taking necessary measures for goal achievement. Sandvik has established a Diversity, Equity, and Inclusion forum comprising representatives from business areas and the Group. The forum collaborates to cultivate a diverse organization, an equitable workplace, and a culture of inclusion. Joint initiatives, best practices, and experiences are shared among forum members.

Environment, Health, and Safety (EHS)

Our Environmental, Health, and Safety (EHS) policy aligns with the principles of the Code of Conduct and core values, aiming to realize our vision of Zero Harm. We have established Group EHS procedures that focus on hazard identification, operational risk management, incident reporting injury management, EHS performance measurement and monitoring, and EHS training and competency. Each procedure clearly defines roles, responsibilities, and performance management indicators. Regular internal and external audits are conducted to review compliance with legislation, policies, and procedures.

Our EHS policy, along with Group EHS objectives and the 2030 Sustainability Goals, guides our health and safety initiatives. Each business area develops plans to meet these objectives, with annual targets set to drive performance at all organizational levels toward the 2030 goals. The scope of our EHS policy extends beyond our internal operations to include the services provided by Sandvik at customer locations.

The Sandvik EHS Council, comprising representatives from all business areas, serves as a key forum to facilitate collaboration across the company, advancing our progress toward our EHS vision. While EHS activities are decentralized within the business areas, the EHS Council identifies, reaches consensus on, and implements common initiatives and procedures. Additionally, the Council drafts documents, including the EHS policy and objectives, for consideration and approval by the Group Executive Management. The council also has the authority to appoint working groups to address specific EHS issues, such as environmental working groups.

Our EHS management systems are based on ISO 14001 and ISO 45001. The management of individual topics adheres to the criteria of established frameworks but may extend beyond them. We maintain a unified EHS policy for the company, along with Group procedures in areas where Sandvik aims to establish standards exceeding the requirements of our certified management systems. Sites with a lower risk profile are not obligated to undergo external certification. Nevertheless, these sites must comply with the requirements outlined in the Group procedure for small sites and offices.

For specific local issues, such as effluent discharge limits or environmental permits not addressed in legal requirements, certifications, or Group procedures, we implement local initiatives tailored to the specific needs of each production unit or business division. The EHS management systems extend to relationships beyond company boundaries, emphasizing our responsibility to uphold high standards in environments under the company's control. This involves actively identifying and mitigating risks to prevent work-related injuries or occupational illnesses.

Environmental criteria are integrated into the sustainable supplier management process, while both environmental and safety criteria are integral to the product development process.

Every Sandvik-controlled location will establish and uphold formal systems and processes for conducting risk assessments. All employees are empowered and encouraged to report observed hazards. The system facilitates the proper handling of all hazards, ensuring a comprehensive process from identification to resolution. The most senior Sandvik manager at each location bears responsibility for the proper management of registered hazards.

Every business area/location operates its Incident Reporting and Investigation system, with the responsibility of disseminating the findings from incident investigations throughout the organization. Each employee has access to a colleague within their immediate workplace or organization who serves as a representative of the EHS function within Sandvik.

Health and safety committees are organized based on the specific structure of the local organization and the prevailing issues within the region. These committees typically include representatives from local management, employees, and EHS professionals.

Training is incorporated into the induction process for all employees, with more in-depth training provided for EHS professionals. Additionally, EHS issues are integrated into training programs for specific roles. Our training packages encompass various formats, including in-house classroom sessions, external training, and self-learning opportunities, such as e-learning.

Access to medical and healthcare services is tailored to local needs, ranging from on-site professional healthcare to external partnerships providing services like vaccinations and health checks for our employees. We provide voluntary health and well-being programs that are adapted to local needs, covering various aspects including fitness, nutrition, mental health, and disease prevention.

Sustainable supplier management

Sandvik is committed to sustainable procurement practices that minimize our social and environmental impacts,

improve the sustainability performance of our suppliers, and create value for the business, our customers and society at large. It is important for us to partner with suppliers who understand and embrace our sustainability standards in areas such as environment, labor, human rights, anti-corruption, circularity of materials, and carbon footprint. Our requirements are part of our 2030 Sustainability Goals and are outlined in our Supplier Code of Conduct.

Community involvement

Sandvik engages in diverse community relation projects worldwide with three primary focus areas: 1) Sustainability Shift: Organizations, projects and activities related to climate change, resources and waste management, or the clean and sustainable development of communities. 2) Digital Shift: Organizations, projects and activities that build technical and digital skills, support innovations that contribute to global advancement, or introduce people to new technologies. 3) Societal Impact: Projects that support equality and inclusion, improve health and well-being, or contribute to positive development in the local communities where we operate.

We view our community involvement projects as investments, for which we require contracts, clear target groups and objectives with measurable results. We have a Community Involvement, Sponsorship and Donations procedure to guide all Sandvik entities engaged in community relations projects. All activities must comply with our Code of Conduct, which means that we do not engage in any activities of a political or religious nature, or in projects that may be viewed as hazardous to health or the environment. All our partners must sign the Sandvik Supplier Code of Conduct and undergo the same screening process as our suppliers. As part of our 2030 Sustainability Goals, we promote employee engagement in community initiatives that contribute positively to society. Our community involvement activities will be governed via a digital tool that allows for mapping, tracking and follow-up. The app is in final testing and will be launched broadly across the Group during the first half of 2024.



Board statement on dividend proposal

Board statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The nature and extent of the company's operations are stated in the Articles of Association and issued annual reports. Such nature and extent do not entail risks over and above those inherent, or reasonably to be expected, in the industry or otherwise inherent in business operations. For information on significant events, reference is made to the Directors' Report.

The company's financial position as of December 31, 2023, is apparent from this Annual Report. The proposed dividend does not infringe on investments deemed to be required. In addition, the company's main liquidity reserve is in the form of an unutilized revolving

credit facility amounting to SEK 11,000 million, which means that the company should reasonably be able to meet unexpected events and temporary fluctuations in cash flows of reasonable proportions. The company's financial position supports the assessment that the company will be able to continue its business and meet its obligations in both the short and long term.

In view of the above and based on what the Board is otherwise aware of, the proposed dividend in the Board's opinion is justified considering the requirements which the nature, extent and risks associated with the operations place on the size of the equity of the company, and also taking into consideration the company's need to strengthen its balance sheet, liquidity and financial position in general.

Stockholm, March 11, 2024

Sandvik Aktiebolag (publ)
BOARD OF DIRECTORS

Proposed appropriation of profits

The Board of Directors proposes that the profits at the disposal of the Annual General Meeting:

profits carried forward	20,736,818,564
and result for the year	5,396,307,174
SEK	26,133,125,738

be appropriated as follows:

a dividend of 5.50 SEK per share to the shareholders	6,899,122,577
profits carried forward	19,234,003,161
SEK	26,133,125,738

The proposed record date for dividends is Thursday, May 2, 2024. The income statements and the balance sheets of the Group and of the Parent Company are subject to adoption by the Annual General Meeting on Monday, April 29, 2024.

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in the regulation (EU) no. 1606/2002 of the European Parliament and Council dated July 19, 2002, pertaining to the application of international financial reporting standards. The Annual Report and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results. The Report of the Directors pertaining to the Parent Company and the Group gives a fair overview of the development of the Parent Company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, March 11, 2024

Johan Molin
Chairman

Jennifer Allerton
Board member

Thomas Andersson
Board member

Claes Boustedt
Board member

Marika Fredriksson
Board member

Thomas Lilja
Board member

Andreas Nordbrandt
Board member

Helena Stjernholm
Board member

Kai Wärn
Board member

Stefan Widing
Board member
President and CEO

Our auditors' report was submitted on March 12, 2024
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Partner in charge

Anna Rosendal
Authorized Public Accountant



Auditors' report

Unofficial Translation

To the general meeting of the shareholders of Sandvik AB (publ),
corporate identity number 5560000-3468

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sandvik AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 40–136 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Our audit strategy is built on our knowledge and understanding of Sandvik's operations, strategy, governance and overall control environment. With this as a foundation, we tailor our Group audit with a focus on the key audit matters and other risks with the purpose of gaining audit comfort in order to express an opinion on the consolidated Financial statements. Our business understanding, risk assessment and selection of entities to be included in the Group audit is a continuous process which is updated once a year during our planning phase.

We build our overall understanding of Sandvik for the purpose of our Group audit, by interviewing Management for the Business Areas, Divisions and Group Functions and by updating our process understanding and understanding of relevant controls and systems that support the financial reporting. We also obtain and read management reports, policies and procedures etc.

The Group audit team coordinate the Group audit by issuing Group audit instructions to component auditors of selected entities in scope. We obtain and read reporting deliverables and conduct component calls with selected teams in order to ensure adherence to the overall Group audit strategy. The Group audit team is also responsible for auditing the consolidation process, the parent company accounts and for reporting to the Audit Committee and the Board of Directors (once per year). The interim report for the third quarter is subject to an ISRE 2410 review. In addition, most legal entities in the Group are subject to statutory audit requirements based on local regulations.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter*Revenue recognition in the appropriate period*

The Group manufactures and sells products and services to its customers globally, mainly through its own distribution network. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. The Group has analyzed its various sales contracts and concluded on the principles for deciding in which period or periods the Group's sales transactions should be recognized as revenue.

Disclosures in notes G2, G3 and P2 provide additional information on how the Group accounts for its revenue.

Measurement of goodwill and intangible assets with an indefinite life including acquired intangible assets

The majority of Sandvik's intangible assets have been acquired externally, mostly through acquiring businesses, and represent significant amounts. Assets with indefinite useful life such as goodwill are not subject to yearly depreciation. Instead, an annual test will show whether the carrying amount for the cash generating unit can still be supported. Sandvik has acquired several businesses containing intangible assets during 2023.

There are a number of instances where management's judgment is decisive for the accounting treatment, both in connection with acquiring businesses and in connection with annual impairment tests.

Note G13 contains additional information on the Group's intangible assets and the significant assumptions applied in the annual impairment tests. In note G31 there is additional information about business combinations, accounting principles and acquired intangible assets.

Measurement of inventory

Sandvik keep significant stock of raw materials, spare parts and work-in-progress at its production units and stores of finished goods mostly at its sales units and distribution centres. The inventory balance is material and measurement of inventory is important for a fair presentation of gross margin. A due process is required to prepare accurate reporting of the acquisition cost when procurement, production and logistical processes are complex.

Establishing product costing requires many instances of management judgment with effect on the reported values. This includes assessing normal production levels, foreign currency, prices of raw materials and allocation of other direct and indirect costs. For finished goods, assessment is needed of obsolescence and how sellable the products are. Finally, there is a complexity in monitoring and measuring volumes particularly for some raw materials and work in progress as well as eliminating effects from intra Group transactions.

Notes G18 and P14 provide information about the the Group's accounting principles for measuring inventory and additional information on the line item.

How our audit addressed the Key Audit Matter

Our audit included but was not limited to the following activities:

- Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.
- Evaluated whether the Group accounting principles for revenue recognition comply with IFRS.
- Tested a sample of sales transactions for compliance with the Group accounting principles.
- Performed data analytical procedures to identify and evaluate a sample of manual and automatic journal entries.
- Traced disclosure information to accounting records and other supporting documentation.

Our audit included but was not limited to the following activities:

- Assessed the model used by the Group for impairment testing and evaluated the significant assumptions for establishing forecasted cash flows and discount interest rates used for calculating the value-in-use of the cash generating units. In our evaluation, we have compared with the historic business performance and the Group's forecasts and strategic planning as well as with external data sources when possible and relevant.
- Evaluated whether the purchase price allocations of the Significant acquisitions made during the year meet the Requirements of IFRS and have been prepared according to generally accepted practices. Assessed that significant assumptions used to measure values of acquired assets are reasonable. We have involved valuation specialists when conducting our work.
- Traced disclosure information to accounting records and other supporting documentation.

Our audit included but was not limited to the following activities:

- Mapped and evaluated selected systems and processes for inventory and tested a sample of key controls for establishing cost.
- Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product costing for work in progress and finished goods.
- Participated in stock takes at many locations and tested the cut-off of deliveries in or out of inventory.
- Obtained the Group's monitoring controls of slow movers and assessments of obsolescence as well as net selling prices.
- Traced disclosure information to accounting records and other supporting documentation.



Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–39 and 162–164, and the Statutory Sustainability Report and Sustainable Business Report on pages 7–9, 13, 61–66 and 142–160.

The other information also contains the Remuneration report which we expect to receive after the release of the Auditor's Report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on

Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Sandvik AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Sandvik AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sandvik AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the

requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97, Stockholm, was appointed auditor of Sandvik AB (publ) by the general meeting of the shareholders on 27 April 2023 and has been the company's auditor since 27 April 2018.

Stockholm March 12, 2024
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Auditor in charge

Anna Rosendal
Authorized Public Accountant